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India

Grain and Feed

Grain and Feed Update - May 2002

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Report Highlights:

Wheat procurements are already at 12.5 million tons and appear likely to exceed last year's record of 20.6 million tons. Estimated 2001/02 rice production has been raised to a record 90 million tons; exports may top 3 million.

Includes PSD changes: Yes
Includes Trade Matrix: No
Unscheduled Report
New Delhi [IN1], IN

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Wheat Procurement Pace Brisk...

Domestic wheat procurement by government agencies, which started in mid-April, has already crossed 12.5 million tons compared with 7 million tons procured during the same period last year. Favorable weather, higher production and the inactivity of the private trade has caused this huge early season surge. Most procurement has been from Punjab (7.6 million tons) and Haryana (4.4 million tons).

Huge government stocks and unpredictable government wheat sales and pricing policies have made private traders apprehensive about buying/storing grain in these states. Farmers are unlikely to hold stocks beyond their normal consumption requirements as the support price for this year's crop (rs. 6,200/ton) is very attractive. Hence, total government wheat procurement this marketing year is likely to surpass last year's record 20.6 million tons.

In other wheat growing states such as Madhya Pradesh, Rajasthan, and Uttar Pradesh, where government procurement machinery is weak, the private trade is buying wheat well below the support level. Surprisingly, the Delhi wholesale price (rs. 5,900/ton) is significantly below the government's support price. There are reports of wheat from neighboring states moving to Haryana and Punjab where it can fetch the higher support price.

...As Export Sales Continue

Malaysia reportedly bought 100,000 tons of Indian wheat at \$98 per ton (f.o.b.) for May/June delivery. According to trade sources, Indian wheat is now offered at \$96-98/ton (f.o.b.).

Rice Production Sets New Record...

This year's rice production has been revised upward to a record 90.0 million tons. The GOI's preliminary estimate is an even higher 90.75 million tons, although the final official production data will become available only by year-end. Domestic rice procurement as of April 1 was 16.4 million tons, somewhat higher than last year's level. With additional rice procurement from Andhra Pradesh, total MY 2001/02 (Oct-Sep) procurement is likely to exceed last year's record 19.1 million tons.

...Exports May Top 3 Million

Heavy rice exports in the first quarter, combined with continued interest in subsidized Indian rice from several importing markets such as Malaysia, Indonesia, and Africa are likely to take Indian rice exports to over 3 million tons in CY 2002.

Table 1: Government Procurement, Stocks and Off take of Wheat (year ago)
(million metric tons)

	Stocks	Procurement Cumulative	Imports	Off take *
Feb 1, 2001	24.1 (15.8)			0.9 (1.4)
Mar 1	23.3 (14.4)	16.4 (14.1) 1/		1.6(1.4)
Apr 1	21.5 (13.1)			1.0(0.4)
May 1	29.2 (21.5)			0.9(0.5)
Jun 1	37.6 (27.8)			0.8(0.5)
Jul 1	38.9 (27.8)			0.7(0.5)
Aug 1	38.7(27.6)			0.8 (0.4)
Sep 1	37.9 (27.3)			1.1 (0.4)
Oct 1	36.8 (26.8)			1.3(0.4)
Nov 1	35.8 (26.5)			1.5(0.5)
Dec 1	34.0 (26.0)			1.5 (0.8)
Jan 1, 2002	32.4(25.0)			1.9 (0.9)
Feb 1	30.2 (24.1)			1.8 (0.9)
Mar 1	28.5 (23.3)	20.6 (16.4) 2/		

*** Includes exports**

1/ Cumulative procurement : April 1, 2000 - March 31, 2001

2/ Cumulative procurement : April 1, 2001 - March 31, 2002

Table 2: Government Procurement, Stocks and Off take of Rice (year ago)
(million metric tons)

	Stocks	Procurement Cumulative	Imports	Off take *
Feb 1, 2001	22.4(15.4)			0.8(1.0)
Mar 1	23.2(16.0)			1.0(1.0)
Apr 1	23.2(14.9)			0.7 (0.7)
May 1	22.9(15.1)			0.8 (0.9)
Jun 1	22.9 (15.1)			0.8 (1.0)
Jul 1	22.8 (14.5)			0.9(0.9)
Aug 1	22.2(13.7)			1.1(0.9)
Sep 1	21.6(13.5)	19.1 (17.3) 1/		1.5 (0.9)
Oct 1	24.8 (13.2)			1.0(0.7)
Nov 1	26.5 (18.0)			1.2(0.8)
Dec 1	25.1(19.5)			1.3(0.7)
Jan 1, 2002	25.6(20.7)			1.8 (0.9)
Feb 1	26.1 (22.4)			1.6 (0.8)
Mar 1	26.0 (23.2)	16.4 (15.7) 2/		

* Includes exports

1/ Cumulative procurement: October 1, 2000 - September 30, 2001

2/ Cumulative procurement: October 1, 2001 - April 1, 2002

Table 3: Indicative Export Prices (FOB)/Metric Ton

Wheat	\$ 98
Rice	
White (25%)	\$132
White (10%)	\$140
White (05%)	\$145
Parboiled (25%)	\$142
Parboiled (5%) sortexed	\$165
Parboiled (5%) Un-sortexed	\$155

Source: A leading grain exporter

Table 4: Commodity, Rice, Milled, PSD table

PSD Table							
Country:	India						
Commodity:	Rice, Milled						
		2000		2001		2002	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		10/2000		10/2001		10/2002	(MONTH/ YEAR)
Area Harvested	44,361	44,361	44,790	44,790	44,700	44,700	(1000 Hectares)
Beginning Stocks	17,716	17,716	24,800	24,800	30,000	29,000	(1000 MT)
Milled Production	84,871	84,871	89,000	90,000	89,000	89,000	(1000 MT)
Rough Production	127,319	127,319	133,513	135,014	133,513	133,513	(1000 MT)
Milling Rate(.9999)	6,666	6,666	6,666	6,666	6,666	6,666	(1000 MT)
TOTAL Imports	0	0	0	0	0	0	(1000 MT)
Jan-Dec Imports	0	0	0	0	0	0	(1000 MT)
Jan-Dec Import U.S.	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	102,587	102,587	113,800	114,800	119,000	118,000	(1000 MT)
TOTAL Exports	1,600	1,600	2,300	3,200	2,500	3,000	(1000 MT)
Jan-Dec Exports	1,700	1,700	2,500	3,300	2,500	3,000	(1000 MT)
TOTAL Dom. Consumption	76,187	76,187	81,500	82,600	83,500	84,500	(1000 MT)
Ending Stocks	24,800	24,800	30,000	29,000	33,000	30,500	(1000 MT)
TOTAL DISTRIBUTION	102,587	102,587	113,800	114,800	119,000	118,000	(1000 MT)